

Unofficial Translation

No. 8/23/DPbS

Jakarta, October 20, 2006

CIRCULAR LETTER

To

ALL SHARIA RURAL BANKS  
IN INDONESIA

Subject : Certification Agency for Sharia Rural Banks

Following the issuance of Bank Indonesia Regulation Number 8/25/PBI/2006 dated October 5, 2006 concerning amendment to Bank Indonesia Regulation Number 6/17/PBI/2004 concerning Sharia Rural Banks (State Gazette of the Republic of Indonesia Number 82 of 2006, Supplement to the State Gazette of the Republic of Indonesia Number 4651), it is necessary to enact implementation provisions concerning Certification Agency for Sharia Rural Banks in a Bank Indonesia Circular Letter as follows.

I. GENERAL PROVISIONS

1. Sharia Rural Bank, hereinafter referred to as SRB, is a rural bank as referred to in Article 1 number 4 Act Number 7 of 1992 concerning Banking as amended by Act Number 10 of 1998 conducting business based on sharia principles.
2. Professional Certification System for SRB, hereinafter referred to as Certification System, is a series of activities including establishment

of training ...

of training curriculum standard, provision of accreditation for trainers and Training Agencies, formulation of training organization, implementation of testing, issuance of passing certificate, and cancellation of accreditation and certificate.

3. Certification Agency is an agency assigned to regulate and establish Certification System and has been legalized by authorized institution based on recommendation of Bank Indonesia.
4. Training agency is an agency appointed to conduct training and certification test and has been accredited by Certification Agency.
5. Certification Board is the highest organ authorized to determine policy direction of a Certification Agency.
6. National Curriculum Committee is a committee assigned to assist the Certification Board in analyzing and developing curriculum in order to promote Certification System quality.
7. Management is the organ managing the whole Certification Agency's daily activities.

## II. CERTIFICATION AGENCY FOR SRBs

1. Objectives and Requirements for Certification Agency
  - a. Certification Agency's Objectives shall be :
    - 1) To assure Certification System quality;
    - 2) To assure Certification System implementation; and
    - 3) To promote SRB manpower quality and professionalism.
  - b. Certification Agency shall be required to :
    - 1) Possess vision and mission to promote and develop SRB manpower quality in supporting a sound, firm, and efficient SRB industry.

2) Possess ...

- 2) Possess organs including at least :
  - a) A Certification Board, with members including at least :
    - i. Bank Indonesia, c.q. Director of Directorate of Sharia Banking;
    - ii. Chairman of Sharia Bank Association.
  - b) A National Curriculum Committee, with members including competent professionals in economics, finance, sharia banking, and law.
  - c) A Management, with divisions comprising at least :
    - i. Material and System Standardization Division;
    - ii. Certification, Accreditation, and Testing Division;
    - iii. Financial Division; and
    - iv. General, Legal, and Information Division.
- 3) Possess and perform duties on the basis of competence and commitment to regulate, determine, and establish Certification System including but not limited to :
  - a) Establishment of training curriculum standard for SRB trainers and manpower as required;
  - b) Preparation of training partners when necessary;
  - c) Establishment of accreditation standard for trainers and Training Agencies;
  - d) Approval of Training Agencies' training plans either for SRB trainers or manpower;
  - e) Formulation of testing material and schedule;
  - f) Issuance of certificates to testing participants meeting passing requirements;
  - g) Formulation of Certification System code of ethics;

h) Cancellation ...

- h) Cancellation of certificate in the event that, according to Bank Indonesia, a member of the Board of Directors holding a certificate is declared fail in fit and proper test;
- i) Report to Bank Indonesia on certificate holders whose certificates are cancelled;
- j) Analysis and development of Certification System.

## 2. Certification Agency Organs' Duties

- a. Certification Board's duties include but not limited to :
  - 1) Assurance on implementation of Certification System and the whole policy and procedures determined by Certification Agency in achieving its objectives;
  - 2) Evaluation and approval of National Curriculum Committee's proposal including but not limited to modification of curriculum and identification of training needs and new training modules;
  - 3) Evaluation on Certification Agency management performance.
- b. National Curriculum Committee's duties include but not limited to :
  - 1) Modification of curriculum;
  - 2) Identification of training need and new training modules.
- c. Management's duties include but not limited to :
  - 1) Formulation of regulations for conduct, organization, and procedures of implementation of Certification Agency and Certification System policies which have been approved by the Certification Board;
  - 2) Assurance on the whole activities implemented under stipulations, regulations for conduct, and Certification Board decision;

- 3) Management of daily activities and administration and assurance on the secrecy of certification documentation.

### III. APPLICATION FOR RECOMMENDATION OF ESTABLISHMENT OF CERTIFICATION AGENCY

1. Any Certification Agency implementing Certification System must hold a license issued by an authorized institution based on recommendation of Bank Indonesia.
2. Application for recommendation shall be submitted by the board of executives or official in compliance with the concerned institution's applicable internal regulations to Bank Indonesia, c.q. Directorate of Sharia Banking, Jl. M.H. Thamrin No. 2, Jakarta 10350, enclosing :
  - a. Statutes legalized by notary public;
  - b. Curriculum, modules, and outlines of training materials;
  - c. Organizational structure;
  - d. Activity plans;
  - e. Written reference from sharia bank association; and
  - f. List of curriculum vitae of founder and board of executives or agency members.
3. Bank Indonesia shall not admit any certificate issued by any Certification Agency which has not been recommended by Bank Indonesia.

### IV. CONCLUDING PROVISIONS

Provisions in this Bank Indonesia Circular Letter shall come into force since October 20, 2006.

For the ...

For the public to be informed, it is ordered that this Bank Indonesia Circular Letter be promulgated in the State Gazette of the Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA,

MIRANDA S. GOELTOM  
Senior Deputy Governor

DPbS